

February 2000

Mark Your Calendar!

The 2000
MOSTARS
Default Prevention
& Debt Management
Conference
is scheduled for
April 26-27 in
Columbia, Mo.
Watch your mail
for more information.



MOSTARS is a division of the Missouri Department of Higher Education



MOSTARS Student
Financial Assistance
Programs **2-3**

FFELP News



USDE Updates ED **6**
Form 799

New Special Allowance
Codes Created **7**



News

Publications Order Form **5**

New Publication Assists
Students With Choosing **6**
a College

Staff News **6**

State Student Program News



Governor Announces **4**
Recommendations for
Student Assistance
Program Appropriations

Participation Lists

Eligible
Lender List **7**
Changes



ATOM Corner



ATOM Quarterly **3**
Statistics

ATOM Reaches
Another Milestone **8**



Beth Ziehmer
(573) 751-1774
USER ID: eulinger

This portion of the **MOSTARS** newsletter includes questions and answers regarding various topics brought to our attention by MOSTARS clients.

If you happen to see one of your questions published, give yourself a pat on the back for asking a question that may benefit other clients.

In addition, if you think there is a need for a published clarification on a particular topic, contact the **MOSTARS Information Center at (800) 473-6757 or (573) 751-3940** to discuss the topic. We may include the question in future issues of **MOSTARS**. ★

Can a school limit borrowers to borrowing only the “base” Federal Stafford Loan amount?

No. If the school participates in both the subsidized and unsubsidized Federal Stafford Loan Programs, the school cannot establish a policy of limiting the amount certified to only the base annual loan limit. The school may choose to limit its participation in the FFEL Programs to subsidized Federal Stafford Loans only. The school is not permitted to have a policy of refusing to certify additional unsubsidized amounts to eligible students.

The exception to this rule would be a professional judgment determination, on a student-by-student basis, under the financial aid administrator’s authority. In this case, documentation of the reason for the refusal must be provided to the student.

May a school that participates in subsidized and unsubsidized Federal Stafford Loans and Federal PLUS loans refuse to certify an additional unsubsidized loan for a dependent student whose parent is denied a Federal PLUS loan?

No. If the school chooses to participate in all three types of loan programs, the school is not permitted to refuse to certify an additional unsubsidized loan for qualifying students.

Must a new Master Promissory Note be generated for subsequent loans made for a student attending a school eligible for the serial loan feature of the MPN if the lender code, but not the lender, changes?

No. In the student loan industry, lenders may employ different servicers. These lenders may utilize different lender codes in order to track their loans by servicer. However, as long as the lender itself is not changing, a new MPN is not required.

If a student does not borrow a loan in the fall semester, can the student borrow a loan in the spring semester?

The school may certify a loan retroactively to the beginning of the academic year, provided the student was enrolled and eligible for that academic term. The school also may choose to do a loan for the spring semester only, adjusting the cost of attendance, expected family contribution and estimated financial assistance accordingly. A student may borrow up to the maximum annual loan amount for a spring semester-only loan as long as the COA is not exceeded after adjusting COA, EFC and EFA.

How do I determine the expected family contribution for semester-only loans?

The EFC must match the length of the loan period. If a financial aid administrator is certifying a loan for other than a nine-month loan period, an alternate EFC must be utilized. For example, for a four-month loan period, a four-month EFC must be used. Alternate and corresponding EFCs can be found on page 2 of the Student Aid Report or Institutional Student Information Record.

If a student receives a scholarship late in the academic year, creating an overaward, must loan funds be returned?

It depends on the particular situation. If the financial aid office had no prior knowledge of the scholarship, the following scenarios can occur:

1. If the student has remaining loan disbursements to be delivered, they could be returned and cancelled, or adjusted, to prevent an overaward.
2. If the student has no remaining loan disbursements when the scholarship comes in, the financial aid administrator must ensure that there was no prior knowledge of the scholarship and document the borrower's file. No funds will have to be returned.

If a student has had a loan discharged due to total and permanent disability, what steps must be taken for the student to go back to school and receive financial aid?

It depends on whether the student wants to borrow more loans.

1. If the borrower simply wants to receive non-repayable aid, the MSLP can send the borrower a letter stating the account was discharged due to disability and the student maybe considered for non-repayable aid.
2. If the student wants to borrow another loan and the original loans were discharged by the MSLP, the borrower must contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940 to obtain a Physician's Statement of Condition and Borrower Acknowledgment. The borrower's physician must certify that the borrower's condition has improved and that the borrower is able to participate in substantial gainful activity, such as attending school. The Borrower Acknowledgment form allows the borrower to acknowledge that future loans will not be discharged due to the borrower's current disability.

For Your Convenience



An information box indicating subject matter accompanies each article in this newsletter. This box also contains an identifiable icon, the name of the article's contact person (where applicable), his or her phone number and e-mail user ID. The formula for e-mail addresses at MOSTARS and the Missouri Department of Higher Education is as follows:

USER ID?cbhe400@admin.mocbhe.gov

Remember, you also can contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940.

Missouri Student Loan Program ATOM Statistics

FFY 2000 Quarter 1

Disbursements

22,759

Amount Disbursed

By EFT	\$27,028,933
By Check	\$10,297,164
TOTAL	\$37,326,097

Cumulative: 8/95 – 12/99

Disbursements

386,111

Amount Disbursed

By EFT	\$426,215,617
By Check	\$212,608,360
TOTAL	\$638,823,976

Governor Announces Recommendations for Student Assistance Program Appropriations

Following is a comparison of state student financial assistance program appropriations recommended by Gov. Mel Carnahan for the 2000–01 academic year and the actual appropriations for 1999–2000. The actual appropriations for next year will be known in May, after the 2000 legislative session is completed.

State Student Aid Program News



Dan Peterson
(573) 526-7958
User ID: danp

	<u>1999–2000 Actual Appropriation</u>	<u>2000–01 CBHE Request</u>	<u>2000–01 Governor's Recommendation</u>
Grant and Scholarship Administration	\$480,890	\$506,055	\$489,475
Missouri Higher Education Academic "Bright Flight" Scholarship Program	\$15,637,000	\$16,137,000	\$16,137,000
Charles Gallagher Student Financial Assistance Program			
General Revenue	\$15,328,436	\$15,941,436	\$15,328,436
Federal – LEAP	\$1,000,000 ★	\$1,000,000 ★★	\$1,000,000 ★★
Grant Program Gift Fund (MOHELA)	\$50,000	\$50,000	\$50,000
Bridge Scholarship Program	\$2,200,000	\$0	\$0
Marguerite Ross Barnett Memorial Scholarship Program	\$500,000	\$1,000,000	\$500,000
Advantage Missouri Program	\$2,930,969	\$5,275,744	\$2,930,969
Missouri College Guarantee Program	\$4,000,000	\$10,710,000	\$10,710,000
Public Service Officer/Employer Survivor Grant Program	\$45,000	\$45,000	\$45,000
Vietnam Veteran's Scholarship Program	\$15,000	\$15,000	\$15,000
Federal Paul Douglas Teacher Scholarship Program (estimated)	1E	\$0	\$0
Higher Education Scholarship Program (estimated)	1E	1E	1E
Total General Revenue	\$41,137,297	\$49,630,236	\$46,155,881
Total Other	\$1,050,000	\$1,050,000	\$1,050,000
GRAND TOTAL	\$42,187,297	\$50,680,236	\$47,205,881

★ Actual LEAP funds received were \$504,761

★★ Anticipated LEAP funds to be received is unknown at this time.

MOSTARS

Publications

Order Form

MOSTARS, the student assistance division
of the Missouri Department of Higher Education

Date of Order _____

Name _____

Institution _____

Street Address _____

City _____ State _____

Zip Code _____ Phone _____

Check the category that applies to your institution:

- ☐ postsecondary institution ★ OE code _____
- ☐ lender ★ OE code _____
- ☐ high school
- ☐ other _____

Return this completed form to:

MOSTARS Publications
3515 Amazonas Drive
Jefferson City, MO 65109
(800) 473-6757 ★ FAX (573) 751-6635

For MOSTARS Use Only

Order Taken By: _____

Date Sent: _____ **By:** _____

January 2000

MOSTARS is providing this Publications Order Form to Missouri institutions in an effort to distribute free brochures and informational materials regarding Missouri's student financial assistance programs. For more information, please contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940.



GENERAL INFORMATION

- ☐ MOSTARS Folder (2/99)
- ☐ What is MOSTARS? (9/98)
- ☐ MOSTARS Contact Cards (8/98)
- ☐ Resources on the World Wide Web (6/99)
- ☐ Choosing the Right School for You (1/00) **NEW!**
- ☐ Missouri Grants, Scholarships, Loans (1/99)
- ☐ Missouri Student Financial Assistance Programs (4/99)
- ☐ How to Save and Assist with Paying for College Costs (10/98)
- ☐ Missouri Higher Education Academic Scholarship "Bright Flight" Program (2000-2001 Academic Year)

DEFAULT PREVENTION MATERIALS

The following items are recommended for postsecondary institutions and lenders.

- ☐ Entrance Counseling Booklet (12/97)
- ☐ Exit Counseling Booklet (4/99)
- ☐ Smart Habits for Student Retention & Default Prevention (7/99) +
- ☐ Before You Sign, Think! (10/99)
- ☐ Change of Status Form (10/99)
- ☐ Good News for Defaulted Borrowers (2/99)
- ☐ "Do the Smart Thing" Poster (8/99)
- ☐ "Do the Smart Thing" Poster Contact Card Pads (25 cards per pad) (8/99)

+ Not for student distribution

New Publication Assists with Choosing a College

Publication Update

Information Center
(800) 473-6757 or (573) 751 3940



Choosing the Right School for You is a new MOSTARS publication designed to help high school students decide which college to attend and to help them prepare for college.

The one-page publication replaces the "Fundamentals of Financial Aid" handout.

One side of the "Choosing the Right School for You" publication includes information about the process of choosing a college. Various checklists guide students and parents through the process of making a final decision, including identifying the reasons for wanting to go to college, deciding what is important in a college, researching and comparing

schools and where to obtain that information, making campus visits and complying with all deadlines.

The other side of the handout is a 12-month academic year calendar that serves as a reminder of what high school seniors should do each month during the year before they begin college.

To order "Choosing the Right School for You," complete the Publications Order Form on page 5 of this newsletter, remembering to indicate quantity needed, and mail or fax it to MOSTARS as indicated, or call the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940. ★



USDE Updates ED Form 799

Beth Ziehmer
(573) 751-1774
USER ID: eulinger

FFELP Program



The U.S. Department of Education recently revised ED Form 799, which lenders use to submit quarterly loan information to DE. The only update to the form is the Y2K change to part 1. Based on ED Form 799 information, the lender pays origination and lender fees and receives interest and special allowance for outstanding loans. The revised form was available Jan. 1, 2000, for the quarter ending Dec. 31, 1999. Effective April 1, 2000 the revised form must be used.

Lenders are encouraged to process 799s electronically through the Electronic Data Interchange technology. For more information regarding EDI, call (202) 708-9776. To download a copy of the revised form, you can access the web site at www.ed.gov/offices/OSFAP/IGAL/lender.

If you have questions regarding the ED Form 799, contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940. ★

Wedded Bliss!



Barb Dorge, ATOM program specialist, and Keith Allen were married on Jan. 6 in a small ceremony in Hot Springs, Ark.

"The ceremony was very nice," Barb said. "We had really nice weather."

Barb has worked at the MOSTARS for almost 10 years. Her new husband, before taking an early retirement, worked for 15 years at the Missouri Farm Bureau, where he continues to provide services as an educational marketing consultant. He also works on the family farm.

The couple reside in Jefferson City. Congratulations, Barb and Keith!

Changes to the Eligible Lender List

Clients who use the Missouri Student Loan Program Combined Eligible Lender List should make note of the following changes. New lists are printed upon request, so your list may already have these changes. Refer to the effective date of the changes and compare them to the date listed at the lower left corner of your list to determine whether or not you should pencil in these changes.

Changed

Union Planters National Bank c/o edsouth, OE 810698-00

New FICE Code: 810698-50
 New FICE Lender Name: Union Planters National Bank c/o edsouth
 All loans submitted under 810698-00 will be guaranteed under 810698-50 (ATOM disbursements)
 Changes made on Jan. 7, 2000

Removed

MO National Guard Credit Union c/o MOHELA, OE 829740-00 & -50

Removed on Jan. 7, 2000

New Special Allowance Codes Created

For loans first disbursed on or after Jan. 1, 2000, lenders will be paid special allowance based on the three-month commercial paper rate. This change created the need for additional Special Allowance codes to be used on the Lender's Interest and Special Allowance Request and Report (ED Form 799). The quarter ending March 2000 is the first quarter these codes are required to be used in addition to the current codes.

Per the December 1999 notice from the U.S. Department of Education, the new codes are as follows:

Subsidized/unsubsidized Federal Stafford Loans first disbursed on or after Jan. 1, 2000 and before July 1, 2003

SAP Code	Loan Status
CA	In-school, grace and deferment

Subsidized/unsubsidized Federal Stafford Loans first disbursed on or after Jan. 1, 2000 and before July 1, 2003

SAP Code	Loan Status
CB	In repayment or forbearance

Participation Lists



CariAnne Cutshall
 (800) 473-6757 or
 (573) 522-2008
 USER ID: ccutshal

To request an MSLP Combined Eligible Lender List, call the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940.

For more information refer to the August 1998 issue of FFELPfacts. You also can view a sample of the list in the October 1998 issue of MOSTARS.

The list also is available on the MOSTARS web site at www.mocbhe.gov/mostars/Indrlist.pdf. ★

Beth Ziehmer
 (573) 751-1774
 USER ID: eulinger

FFELP Program



Consolidation Loans for applications received on or after Jan. 1, 2000 and before July 1, 2003

SAP Code	Loan Status
CC	N/A

PLUS loans first disbursed on or after Jan. 1, 2000 and before July 1, 2003

SAP Code	Loan Status
CD	N/A

There has been no change to loans disbursed with tax-exempt funds.

If you have questions, you can contact the U.S. Department of Education at (202) 708-9776 or by e-mail at OSFA_LR@ed.gov. You also can contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940. ★

ATOM Reaches Another Milestone

The Missouri Student Loan Program's Automated Transfer of Money program recently eclipsed its previous benchmark for single-day disbursement volume and checks.

On Jan. 10, ATOM processed 8,412 disbursements totaling more than \$13.6 million. Of this total, ATOM printed 1,223 checks totaling more than \$1.7 million. This exceeded ATOM's previous day records of 7,143 disbursements and 1,147 checks written.

MOSTARS' data processing staff and client service representatives share this accomplishment with their efforts to enhance the ATOM system and to encourage more schools and lenders to participate with ATOM. Congratulations, ATOM! ★

ATOM News



Keith Broadus
(800) 473-6757
USER ID:
kbroadus

Benchmarks

Biggest Volume Day:

Jan. 10, 2000
8,412 Disbursements
\$13,614,495.01

Biggest Check Day:

Jan. 10, 2000
1,223 Checks
More Than \$1.7 Million

The Missouri Department of Higher Education makes every effort to provide program accessibility to all citizens without regard to disability. If you require this publication in an alternate form, contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940. Hearing/speech impaired can call (800) 735-2966.

Coordinating Board for Higher Education
3515 Amazonas Drive
Jefferson City, MO 65109

FIRST CLASS

MOSTARS, a division of the Coordinating Board for Higher Education, publishes this newsletter to inform Missouri's financial aid community of current issues concerning the Missouri Student Loan Program and the Missouri Grant and Scholarship Programs.

Dr. Ray HenryCBHE Chairman
Dr. Kala M. Stroup.....Commissioner
of Higher Education
Karen MisjakMOSTARS Director